



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Themes for Internal Audit coverage 2022/23

DISCUSSION DRAFT

Audit & Governance Committee meeting of 11 March 2022

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THEMES FOR INTERNAL AUDIT COVERAGE FOR 2022/23

This document has been prepared to support a discussion and allow key officers and the Head of Internal Audit to consider your thoughts for potential internal audit coverage areas for 2022/23 plan and areas going forward. The Combined Authority are in the process of further enhancing their Risk Management processes and Corporate Risk Register and therefore a fully developed plan aligned to the key risks faced by the Combined Authority has not yet been developed.

2022/23 Internal Audit Planning

We have undertaken a number of meetings with key Executive Team members however, we do still have a number of key stakeholders to meet and inform the strategy and detailed 2022/23 plan. We have been provided with a number of thoughts for internal audit areas and themes which we have outlined below for the Committee's consideration and thoughts.

Feedback to date

Core Control Framework – covering key corporate control areas such as Finance and HR which also would capture controls around the application of the Scheme of Delegation.

Subsidiary Companies – Deep dives. In the 2021/22 internal audit plan, we will be undertaking an overarching review around subsidiary company governance which would include Boards, Terms of References, Members and Officers, Financial and Performance Information and Reporting into the Combined Authority. This review may identify further areas which could warrant a further review into specific Subsidiary companies which we the Combined Authority may wish to consider on a rolling basis. This fieldwork is being carried out in March and April 2022.

Affordable Housing Programme – This programme is expected to end at 31 March 2022 however, it is anticipated the delivery of the programme will continue for potentially a further two years.

Energy Hub – This is expected to be one of the biggest spend areas for the Combined Authority in 2022, and this could warrant potential coverage in a number of different areas.

Data Protection – This review could be undertaken with a lens which allows for focus on whether the Combined Authority have clear contracts in place outlining clearly responsibilities for use, access, dissemination and storage of CPCA data. Whether Members and Officers have received recent and relevant training and that training compliance is monitored, access to core policies and procedures in relation to Data Security and whether the Combined Authority have proactive controls in place such as screen savers, newsletters or emails which support colleague and member awareness of data protection.

IT Audit – Following the minimal assurance opinion provided on the 2020/21 IT Control Framework Review, an assessment of core IT controls in place for key areas. This coverage may include a combination or deep dives into individual areas such as Cyber Security, IT Hardware or Software, General IT Controls, Business Continuity and Disaster Recovery etc.

Internal Audit Strategy

We have also included an updated the Internal Audit strategy to align with the most up to date version of the corporate risk register which is included in Appendix A of this document below. However, we understand that this will be subject to a significant level of refresh and update in the coming weeks.

Please note, we do still have a number of stakeholders to speak to and further prioritisation of areas of coverage still need to be determined and agreed, once these discussions have been held and the refreshed corporate risk register is available.

APPENDIX A: INTERNAL AUDIT STRATEGY 2020 – 2026

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1 above, as well as our own view of the risks facing the sector as a whole.

Assurance Provided		Internal Audit – Third Line of Assurance (Independent review / assurance)					
	Red - Minimal Assurance / Poor Progress						
	Amber/red - Partial Assurance / Little Progress						
	Amber/green - Reasonable Assurance / Reasonable Progress						
	Green - Substantial Assurance / Good Progress						
	Advisory / AUP						
	IDEA						
Audit Area	Linked Risk Ref	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Climate Change Strategy	<i>Risk ID 18: Climate change related events, policies and political pressures</i>					✓	
Environment, Social and Governance	<i>Risk ID 18: Climate change related events, policies and political pressures</i>				✓		✓
Partnerships and Collaboration	<i>Risk ID 31: Lack of political agreement on forward strategy.</i>					✓	
Strategic Planning and Partnerships	<i>Risk ID 31: Lack of political agreement on forward strategy.</i>				✓		
The Business Board	Risk ID 20: Potential impact of the new Trade Deal on the delivery of the Combined Authority's Growth Ambition Programme in the long term.				✓		✓
Local Industry Strategy	Risk ID 8: Ambitious and long stalled programmes cannot proceed due to lack of government funding and or private investment					✓	

Local Transport Plan	Risk ID 17: Unbudgeted increases in costs for highways and transport schemes funded by the Combined Authority and delivered by partner agency.			✓	
Skills Strategy	Risk ID 8: Ambitious and long stalled programmes cannot proceed due to lack of government funding and or private investment				✓
Adult Education Budget	Risk ID 8: Ambitious and long stalled programmes cannot proceed due to lack of government funding and or private investment		✓		
COVID 19 – Capital Grants		✓			
Affordable Housing Programme	Risk ID 32: DLUHC confirming no future funding for a bespoke CPCA Housing Programme				
IT Controls Assessment / IT Strategy	<i>Risk ID 23: Lack of capacity/resilience in the ICT provision to the CPCA</i>	✓		✓	✓
Cyber Security/ Network Security	<i>Risk ID 23: Lack of capacity/resilience in the ICT provision to the CPCA</i>			✓	✓
Information Governance / Data Protection	<i>Risk ID 14: Disruption to the operation of the Combined Authority</i>			✓	✓
Digitalisation	Risk ID 6: Lack of structural resilience / insufficient internal resources				✓
Declarations of Interest				✓	

Corporate Governance				✓		✓
Governance, Transparency and Decision Making (2020/21 - Appointments to Boards and Committees sponsored by the Combined Authority)	✓		✓		✓	
CAM Project – Governance and Decision Making		✓				
Cross Charging of Corporate Services	Risk ID 6: Lack of structural resilience / insufficient internal resources		✓			
Subsidiary Company Governance	Risk ID 6: Lack of structural resilience / insufficient internal resources	✓	✓	✓	✓	✓
Project Planning and Delivery (2020/21 - COVID-19 – Impact of COVID-19 on delivery of Projects)	Risk ID 8: Ambitious and long stalled programmes cannot proceed due to lack of government funding and or private investment	✓	✓		✓	
Business Continuity and Disaster Recovery	Risk ID 14: Disruption to the operation of the Combined Authority.			✓		✓
Procurement and Contract Management	Risk ID 10: Absence of Resource Planning & Financial Management				✓	
Fraud Risk Assessment	Risk ID 14: Disruption to the operation of the Combined Authority.		✓		✓	
Capital Programme	Risk ID 10: Absence of Resource Planning & Financial Management	✓				✓

Financial Planning and Delivery	<i>Risk ID 10: Absence of Resource Planning & Financial Management</i>		✓			
People Management / HR Policies	<i>Risk ID 30: Insufficient internal resource to deliver the Authority's priorities.</i>	✓				✓
Staff Health and Wellbeing	<i>Risk ID 30: Insufficient internal resource to deliver the Authority's priorities.</i>		✓			
Equality Diversity and Inclusion	<i>Risk ID 30: Insufficient internal resource to deliver the Authority's priorities.</i>			✓		
Recruitment	<i>Risk ID 30: Insufficient internal resource to deliver the Authority's priorities.</i>					✓
Data Quality and Performance Management	Risk ID 6: Lack of structural resilience / insufficient internal resources		✓			
Grant Verification		✓ ✓	✓	✓	✓	✓
Risk Management		✓	✓		✓	
Key Financial Controls	<i>Risk ID 25: Financial SLA out of date</i>	✓ ✓	✓	✓	✓	✓
Payroll	<i>Risk ID 10: Absence of Resource Planning & Financial Management.</i>				✓	
Follow Up		✓ ✓	✓	✓	✓	✓

FOR FURTHER INFORMATION CONTACT

Daniel Harris, Head of Internal Audit

Daniel.Harris@rsmuk.com

(+44) 07792 948767

Jay Desai, Client Manager

Jay.Desai@rsmuk.com

(+44) 07436 268278

Anna O'Keeffe, Senior Manager

Anna.O'Keeffe@rsmuk.com

(+44) 07917 462007

rsmuk.com

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